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State of Wisconsin
Department of Workforce Development
Jim Doyle, Governor
Roberta Gassman, Secretary
Bill Clingan, Division Administrator

September 27, 2004

U.S. Department of Labor
Attention: Donna Dye
Employment and Training Administration
Division of USES/ALMIS
Room S-4231
200 Constitution Avenue, N. W.
Washington, D. C. 20210

Dear Ms. Dye:

On behalf of the State of Wisconsin, I am pleased to submit our state's PY2003 Re-employment Services Program Narrative Report (ETA Form 9100). The report is submitted in compliance with, and pursuant to, instructions contained in Training and Employment Guidance Letter (TEGL) No. 3-02, and Region 5 ETA Workforce Development Letter No. 005-04.

The narrative reports all activity for the Reemployment Services Program. It compares the accomplishments of planned performance goals, with the attainment of the performance indicators, including the goals identified in the approved PY2003 plan. The narrative also includes an explanation of problems or delays, corrective action plans and resulting outcomes, as well as program budget and modification details.

If you have any questions, please feel free to contact Brian Solomon, at 608-267-7514.

Sincerely,

Bill Clingan
Division Administrator

REEMPLOYMENT SERVICES PERFORMANCE REPORT—ETA 9100

STATE OF WISCONSIN - Program Year 2003

In Program Year 2003, Wisconsin profiled 20,919 Unemployment Insurance (UI) claimants and referred them to receive services via the Reemployment Services Program (RES) at 58 Job Center locations across the state. This represents an increase of 4.3% from PY02. In PY03, 17,574 claimants reported to services, compared with 17,248 claimants in PY02.

PY02 reports from the UI Division show \$23,919,883 in unclaimed benefits for the 20,919 claimants profiled by the Reemployment Services Program. PY03 data through the 3rd quarter show \$17,888,264 in unclaimed benefits for individuals referred to the program. While the re-employment services program may not deserve full credit for the reduction, claimant evaluations of the services provided continually show that they find value and benefit in the RES program and its services.

I. Program Goals and Performance

It is important to note that the combination of a 7.4% reduction in the RES allocation, from PY02 to PY03, and the sluggish state economy with higher than normal unemployment rates and loss of manufacturing jobs, contributed significantly to RES PY03 performance. Even with these factors present, Wisconsin served more UI claimants and maintained its high level of UI Trust Fund Savings. The RES funding allocation was sufficient to support 13 Full Time Equivalent (FTE) positions, which represents nearly 60 field staff providing services to UI claimants.

Goal A. Maintain a high number of UI Claimants referrals to PY03 Worker Profiling and Reemployment Services (WPRS) Orientation, based on available funds and staffing allocations, as compared with PY02.

- **Achieved** – Wisconsin UI profiled 105,886 claimants and referred 20,919 to WPRS services at 58 Job Center sites with program funded staff in PY03. This represents an increased pool of claimants (up 8,034 or 8.2%), and an increase in the number of claimants referred for services (up 877 or 4.3%), when compared with PY02 data.

Goal B. Maintain the high UI Trust Fund Savings. (Savings that result from shortened UI benefit claim duration for WPRS participants.)

- **Achieved** – PY03 cost savings maintained the same high level as PY02. While the 4th Quarter data will not be available until October 2004, it is expected that PY03 cost savings will be 3% above of PY02 cost savings, and could potentially exceed \$24-million. See table below.

Program Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
PY02	\$6,336,307	\$4,796,054	\$6,329,365	\$6,458,157	\$23,919,883
PY03	\$6,785,520	\$4,777,866	\$6,324,878	*	\$17,888,264
	107.1%	99.6%	99.9%	0.0%	74.8%

**4th Quarter PY03 data available in October 2004*

Goal C. Reduce the number of claimants that reach exhaustion of benefits.

- Not Achieved - The rate of exhaustion of benefits over the 4 quarters, covering January - December 2002, averages 49.3% (ETA 9049 Quarterly Reports). While this is a 9% increase in the rate of exhaustion from the previous 4 quarters, it is a mirror reflection of Wisconsin's labor market for the same period. (See Section IV – General Economic Indicators). The average duration of claims for those referred for services remains steady at 17 weeks. This rate is slightly lower for the total UI claimant population, at 12.5 weeks, as workers in recall status are figured in the total UI claimant population. See table below.

ETA 9049 Data	03/31/02	06/30/02	09/30/02	12/31/02	Total
Profiled and Referred	3,847	3,899	4,702	4,434	16,882
Number Exhausted	1,863	1,815	2,370	2,274	8,322
Avg. Compensated Duration	17	17	17	17	17
Exhaustion Rate	48.4%	46.6%	50.4%	51.3%	49.3%

Goal D. Increase the number of UI Claimants referred to, and completing services.

- Achieved – The number of claimants referred to services increased by 2% from PY02. The number of claimants completing services increased by 1% from PY02. See table below.

ETA-9048 Worker Profiling and Reemployment Services Activity	PY02	PY03
A. Profiled Claimants:		
1. Total Profiled	22,452	23,006
C. Profiled Claimants Referred and Completing Services:		
1. Number Completed to Services	19,186	19,301
Percent Completing Services	85.5%	83.9%

II. Program Activities

Claimant Notification Letter

In PY03, Wisconsin finalized and implemented its proposed changes to the Claimant Letter of Notification. This letter is now ADA compliant, for deaf and hard of hearing customers, offering a TTY line, and includes text boxes in Spanish and Hmong, directing claimants that the correspondence regards their rights and benefits and should be translated immediately. Language interpreter services are available for all claimants.

Case Management

The "case management style" of service to claimants instituted in PY02 continued in PY03. As noted in the submitted PY03 plan, in the fall of 2003, limited staff and funding resources forced a decision to discontinue claimant follow-up at the 12th week of a valid new claim. This decision was made in order to prioritize orientation and staff-assisted services to claimants. However, in the event that resources are sufficient to resume this component of the WPRS program, follow-up with claimants would be reinstated.

Services to claimants begin with an orientation session advising claimants of the availability and benefit of Re-employment Services and, if appropriate, an individual assessment of each claimant's need. Based on an individual reemployment plan (ISP), the claimant may be referred to services tailored to the individual's needs. Service provided to the claimants are tracked in two systems: the UI Mainframe System, and in the Automated System Support for Employment and Training (ASSET), the Department's WIA case management system. The Job Service Bureau coordinates and collaborates with the UI Division, to provide any necessary information, relating to the claimant's continuing eligibility for UI.

Re-employment Services Orientation

Job Service staff conducted 1,533 reemployment orientation sessions in PY03 (an average of more than 127 sessions per month), a 23% increase in sessions from PY02. Sessions are generally conducted weekly in locations where the "pool" is at least 15 claimants. More frequent sessions are scheduled where staff availability allows. On average, 7 to 15 claimants are scheduled for each session. However, the time of the year influences the size of the pool. Groups in excess of ten claimants require the designation of more than one staff to conduct individual assessments. All claimants selected for RES participation **must** register on the state's on-line job order system (JobNet), in the Job Center Resource Rooms. This registration creates their Wagner-Peyser client record, allowing staff to post services received by each claimant.

Initial Service Requirements

Staff conducts a one-on-one re-employment assessment with each claimant to determine their service needs. This meeting usually includes a review of a claimant self-assessment document that addresses whether the claimant:

- Needs help with applications, a resume or cover letter
- Needs help with job interview questions

- Would like further information about conducting a job search
- Feels undecided about career choices and would like career guidance or counseling
- Would like to assess their skills and interests
- Is a veteran who has served at least 180 days active duty
- Has a high school diploma, GED or HSED
- Feels they have job skills that are in demand
- Has any degrees, occupational licenses or certificates
- Is currently enrolled in any school/training program
- Is interested in any school/training program (Dislocated Workers Participants)
- Is in need of support service referral for childcare, transportation, housing, etc.

Claimants are assisted in completing a reemployment plan identifying activities required as a condition of their continued eligibility for UI benefits. Staff then determines the services to be included in the reemployment plan, along with one or more of the following:

- Job search using JobNet in a Job Center Resource Room
- Job search using Internet at home with weekly email or phone call to staff on progress for three weeks
- Job search using toll-free Job Line at home with weekly phone call to staff on progress
- Required attendance at one or more Job Center workshops
- A one-on-one meeting with staff within 30-days of Orientation Session

Claimant Follow-Up

As noted previously in this document and in the PY03 WPRS Plan, the follow-up component of the program was discontinued in the fall of 2003. Limited staff and funding resources forced a decision to discontinue claimant follow-up at the 12th week of a valid new claim. This decision was made in order to prioritize orientation and staff-assisted services to claimants. However, in the event that resources are sufficient to resume this component of the WPRS program, follow-up with claimants would be reinstated.

The intent of follow-up is for staff to perform "status checks" with claimants over time - to determine employment status, ask, "how can we help?", and make an offer of services. Staff maintain a standard follow-up log on the DWD network indicating follow-up activity with ALL claimants at about 12 weeks from their valid new claim (VNC) date, or 7 to 8 weeks from the date of the Orientation Session. Follow-up methods are left to local office discretion, and include telephone, mail, email, and individual appointment.

State Data Tracking/Reporting Systems

When an application for a new UI claim is filed, UI staff identify which claimants do not have a recall to work, those who are not in school, and those that are not affiliated with a union hiring hall. UI staff identifies the primary employer, and gathers additional information on occupation, job tenure and education level for these claimants. A profiling record is built for each of these claimants on the UI database. In general, individuals who are selected for profiling are those workers who are permanently separated from their jobs, and who have a high likelihood of exhausting their unemployment benefits.

Actual payment of the first UI check triggers the selection process. When the first payment is made, the system uses the information gathered from the initial claim in a

mathematical formula. Each claimant is assigned a probability factor for exhaustion of UI benefits (expressed as a percentage). If there is no first payment within five weeks, the system no longer considers the claimant a potential candidate. Active WIA Dislocated Worker Program participants and Trade Act clients are exempt from further participation, based on their receipt of similar services.

Scheduling for the UI Profiling program is automated and is, as stated above, triggered by payment of the first UI check. This facilitates a quick entry into program services. However, local offices have the responsibility of rescheduling individuals who are unable to attend the initially scheduled sessions. This initial session is primarily an orientation to the UI Profiling program - thus, the need to move individuals into workshops, JobNet usage and other services as quickly as possible remains constant throughout the program.

The individuals who are selected for UI Profiling and Reemployment Services are required to participate in the activities identified as necessary by Job Center staff as a condition of continuing eligibility for UI. Job Center staff provides the UI Division with all necessary information relating to the claimant's activities through the use of automated reporting and case management tools.

PY03 Services (Summary of ETA-9048 Quarterly Reports)

ETA-9048 Worker Profiling and Reemployment Services Quarterly Activity Reports						
		Quarter Ending				Total
		06/30/04	03/31/04	12/31/03	09/30/03	
A. Profiled Claimants:						
1.	Total Profiled	51,939	100,763	96,848	73,280	322,830
2.	Number put in Selection "Pool/Queue"	25,539	28,942	36,776	28,055	119,312
3.	Number Referred to Services	5,328	5,368	6,945	5,365	23,006
4.	Number Exempted from Service	209	186	254	228	877
B. Profiled Claimants Referred and Reporting to Services:						
1.	Number Reported to Services	4,101	4,109	5,228	4,136	17,574
2.	Orientation	4,014	4,026	5,142	4,004	17,186
3.	Assessment	1,795	1,956	2,425	1,830	8,006
4.	Counseling	376	423	616	517	1,932
5.	Job Placement Services and Referrals to Employers	907	1,039	1,215	748	3,909
6.	Job Search Workshops or Job Clubs	2,628	2,677	3,443	2,878	11,626
7.	Referral to Education and Training	575	736	980	853	3,144
8.	Self Employment Program	0	0	0	0	0
C. Profiled Claimants Referred and Completing Services:						
1.	Number Completed to Services	4,504	4,512	5,743	4,542	19,301

2. Orientation	4,014	4,026	5,142	4,004	17,186
3. Assessment	1,773	1,940	2,384	1,782	7,879
4. Counseling	328	370	549	454	1,701
5. Job Placement Services and Referrals to Employers	888	1,026	1,199	731	3,844
6. Job Search Workshops or Job Clubs	2,139	2,200	2,844	2,250	9,433
7. Referral to Education and Training	407	607	734	657	2,405
8. Self Employment Program	0	0	0	0	0
D. Lower Authority Appeals Resulting from Determination of Refusal or Referral Issues	4	0	2	6	12

PY03 Outcomes (Summary of ETA-9049 Quarterly Reports)

{The due date for PY03 data to the ETA National Office (from UI Reports Handbook No. 401) is the 20th day of the second month in the 7th quarter following the quarter in which the claimants were first referred to services. By example, outcome data on claimants referred in the first quarter of PY03 (7/1/03-9/30/03) is due to ETA on May 20, 2005. The most recent 9049 data available is for the quarter ending 12/31/02 (see table below):}

ETA 9049 - Worker Profiling & Reemployment Services Outcomes				
Report Quarter Ending: 12/31/02				
1. Number Exhausted	2,274			
2. Average Compensated Duration	17 Weeks			
3. Average Total Benefits Paid	\$4,326.00			
4. Total Base Period Wages	\$119,034,054.00			
Employment activity for those Profiled Claimants who were first selected through the WPRS and referred in the report quarter and who were employed in the reference quarter	<u>Quarter After Referral</u>			
Reference Quarter Ending:	03/31/03	06/30/03	09/30/03	12/31/03
1. Number Employed	2,035	2,498	2,756	2,861
2. Total Base Period Wages	\$54,194,495	\$64,491,417	\$72,312,299	\$75,704,401
3. Number Employed in Different Industry	1,419	1,845	2,098	2,222
4. Wages Earned in Quarter	\$9,394,555	\$12,656,279	\$14,841,969	\$16,263,675
Total Wages Earned	\$53,156,480			

III. Budget and Expenditures

The State of Wisconsin received a grant award of \$945,365 for the federal grant PY03 period of July 1, 2003 through June 30, 2004 plus, a PY02 carryover amount of \$117,185, for a total allocation of \$1,062,550. During the period of July 1, 2003 through June 30, 2004, the State of

Wisconsin fully expended the total allocation amount of \$1,062,550. Please refer to the enclosed SF-424 forms which reflects the combined PY03 award of \$945,365 and the PY02 carryover amount of \$117,185.

IV. General Economic Conditions

Wisconsin's Economy July 2003 - June 2004

Most of the recovery in the labor force and jobs figures to follow, has come primarily in 2004. Combining these months of 2003 and 2004 not only masks the softness of the economy in 2003, but also mollifies the recovery seen in 2004. The twelve-month period, July 2003 to June 2004, showed an average, not seasonally adjusted, unemployment rate of 5.3 percent. This is an improvement compared to the July 2002 to June 2003 period, which showed an average unemployment rate of 5.7 percent. The labor force in 03/04 shows an average of 2,936,200 employed residents compared to 2,874,700 one year ago - a gain of 61,500 more employed. The monthly average number of unemployed has decreased from 172,200 in 02/03 down to 163,800 in 03/04. Decreases in unemployment rates from an annual standpoint were universal throughout Wisconsin, but the fact remains that the unemployment rates are still higher than average given a ten-year standard and that some regions of the state are not recovering to the same degree as others.

Initial and continued claims for unemployment insurance have fallen considerably in the last year, and like the labor force data already outlined, they have fallen more quickly in the six months of 2004. The 03/04 weekly tally has averaged 12,962 initial claims. This is an eight-percent decrease compared to 02/03 or 1,124 fewer initial claims per week. Continued claims have followed suit and declined as well, averaging 86,400 claims per week, an annual decrease of about 4,500 claims per week or about five percent. From a cumulative standpoint, there have been over 58,000 fewer initial claims and 234,000 fewer continued claims for unemployment insurance in 03/04.

The total number of non-farm wage and salary jobs in Wisconsin has shown a net annual increase of 15,600 jobs to a total monthly average of 2,795,958 jobs in 03/04 or +0.6 percent. Industry sectors adding the most jobs in volume terms were education and health services, 10,900 jobs; trade, transportation and utilities, 7,900 jobs; and professional and business services, 7,900 jobs. The fastest growing sectors were professional and business services, +3.2 percent; educational and health services, +3.0 percent; and financial activities, +2.5 percent; leisure and hospitality, +2.5 percent. Sectors showing the largest annual employment losses were manufacturing, -11,400 jobs; government, -6,800 jobs; other services, -2,700 jobs; and information, -1,400 jobs. Sectors that showed the fastest annual decline were information, -2.9 percent; manufacturing, -2.2 percent; other services, -2.0 percent; and government, -1.6 percent.

Wisconsin's monthly, average industry composition in 03/04 by supersector is (in descending order): trade, transportation and utilities (543,700 jobs/19.4 percent of employment), manufacturing (505,700/18.1 percent), government (408,300/14.6 percent), educational and health services (372,300/13.3 percent), professional and business services (249,800/8.9 percent), leisure and hospitality (248,800/8.9 percent), financial activities (159,500/5.7 percent), other services (129,800/4.6 percent), construction, mining and natural resources (129,000/4.6 percent), and

information (49,100/1.8 percent). Services-providing employment accounts for 77 percent of the state's employment while the remaining 23 percent are in goods-producing sectors.

The 03/04 average hourly wage for non-supervisory, production workers in the manufacturing sector is \$16.20. This is a \$0.23 an hour increase compared to 02/03 or about 1.4 percent higher. On a monthly basis, the first six months of 2004 show slower annual growth than did the same months in 2003. This is due to the fact that as companies are currently hiring more production workers, the new hires' wages, on average, are lower than that of the already established, higher-paid employees, thus lowering the average wage. Wage data for all occupations and industries is incomplete and therefore not available for comparison, but it is likely that overall wage growth has also been subdued in 2004. Annual wage growth will likely not exceed the growth seen in 2003 (3.1 percent) due to the fact that recovery periods with employment growth tend to slow average wage growth. The opposite phenomenon is often seen during recessions as downturns can pump up average wages as those with the least seniority, experience, and in turn, lower wages are often the first to be trimmed from payrolls.

V. Future Plans and Outcomes (PY 04 WPRS Action Plan)

Program Budget Allocation

PY04 allocation of \$941,759 (awaiting DOL guidance letter for plan submission).

Staff/Sites

Based upon the anticipated reduction in the PY04 allocation, plans are to continue providing existing levels and types of services, with permanent staff. It is not anticipated that new sites will be added, as a result of the reduced allocation, expected staff turnover, and the continuing hiring freeze within the Wisconsin Department of Workforce Development. In locations where staff assignments include both RES and Trade Act, there may be an actual reduction in the profiling activity, as Trade Act services must receive priority.

Policy

There are no anticipated policy changes, at this time, other than the discontinuance of the follow-up component. Wisconsin will continue to follow all other policy developed in PY02.

It is the policy of Wisconsin Job Service to provide the following services to profiled claimants at locations where the RES program is funded:

Re-employment Services Orientation

- Job Service staff conduct Reemployment Services Orientation Sessions at least twice per month, as scheduled on the ROST screens of the UI Mainframe.
- Sessions should be conducted weekly in locations where the "pool" of claimants is at least 15. More than one session can be scheduled in a week where staff availability allows. On average, seven (7) to fifteen (15) claimants should be scheduled for each session. However, the time of the year influences the size of the pool. Staff should pre-check their ROST screens to ensure that at least two (2) staff persons are on hand to conduct individual assessments for larger size groups. In general, groups in excess of seven (7) claimants require the designation of more than one staff to conduct individual assessments.
- All claimants selected for RES participation **must** register on JobNet.

Initial Service Requirements (Tiers)

- Staff conducts a one-on-one Reemployment Assessment with each claimant to assess their service needs. This meeting may include a review of a claimant self-assessment document.
- Staff assists each claimant in completing an Individual Service Plan, identifying activities required of the claimant as a condition of their continued eligibility for UI benefits.
- Staff determine which of the following Reemployment Services are included in the Individual Service Plan, by choosing one or more of the following:
 - Job search using JobNet in Resource Room once per week for three weeks;
 - Job search using Internet at home with weekly email or phone call to staff on progress for three weeks;
 - Job search using toll-free Job Line at home with weekly phone call to staff on progress;
 - Required attendance at one workshop or a 1-on-1 meeting with staff within 30 days of Orientation Session;

Additional Funding Requests for WPRS Services

The Job Service Bureau has submitted requests for funding for additional services to the UI Division (UI Interest and Penalty Funds), the Dislocated Worker Section of the Division of Workforce Solutions (WIA Dislocated Worker Funds), and to the Department Secretary's Office, for Reed Act Funds.

DOL Demonstration Grant - Wisconsin Reemployment Connection

Wisconsin's Department of Workforce Development, together with the Department of Labor, is conducting a demonstration project to find ways to better connect unemployment insurance (UI) claimants with available reemployment services. Project goals include:

- Implementing new approaches to increase awareness of reemployment services available through Wisconsin's One-Stop System.
- Connecting unemployment insurance claimants with employment and/or Workforce Investment Act (WIA) Title I training, preferably in a key target industry in need of skilled workers.
- Providing project participants with the effective work skills that will be valuable in assisting them to permanently succeed in the workforce of "Grow Wisconsin."

The reemployment connection includes sharing data between Unemployment Insurance and the Job Centers to appropriately connect UI claimants to programs and services for which they may be eligible.

- Work Registration
- Skills Assessment
- Employment Plan Development and Review
- Practice Interviewing
- Work Search Workshops
- Job and Training Referrals
- Employer Contacts
- Peer-to-Peer Job Networking

Review of Statistical Model

Examine potential benefits of a review of the current model used for profiling claimants, in order to increase pool size, and thus the number of claimants provided with WPRS services

UI Trust Savings

Continue to provide cost savings to the state's UI Trust Fund.

VI. Self-Assessment

Staff continue to work, more closely than ever, with UI Division staff, in identifying areas where each can make program improvements, such as: Planning for the DOL demonstration grant and initiating discussions about conducting a review of the statistical model to determine ways to target claimants, based on local area workforce changes.

The Job Service Bureau will continue all efforts to maintain staff capacity to provide RES activities to assist UI claimants' re-entry to employment. We feel that our program adequately targets, enhances, and expands labor exchange services that address our citizens' re-employment needs.